

2024-2028 BUSINESS PLAN

Green Diligent Growth: ACEA's new Business Plan reinforces the Group's role as infrastructure operator – focused on regulated businesses – within a strongly evolving scenario that offers major investment opportunities: in the water business, to modernise the infrastructure; in the electricity sector, for grid resilience; in the environmental sector, for the circular economy. The centrality of people, a strong discipline with regard to costs and investments and optimisation of the financial structure represent the pillars of the Plan, which envisages a major increase in capex and growing value for shareholders.

ECONOMIC AND FINANCIAL HIGHLIGHTS

- **EBITDA CAGR (average annual growth) 2023-2028 >+5%, thanks to organic growth. EBITDA from regulated infrastructure ~90% in 2028 compared with 87% in 2023**
- **Net profit CAGR +5%, despite the increase in depreciation and financial costs**
- **Overall investments: €7.6bn, will ensure sustainable growth, in compliance with a strong financial discipline. Annual investments amounting to around €1.5bn, compared with €1bn during the period 2020-2023**
- **Dividend: annual growth of 4% during the 2023-28 period, corresponding to an overall distribution in excess of €1bn**

Major investment programme focused on Water, Electricity, Environment, with average annual capex corresponding to 1.5x the average for 2020-2023

The business plan provides for investments, during the period 2024-2028, corresponding to €7.6 billion. Of total capex, 91% will be addressed to regulated businesses. The investment programme will fund a number of projects and will enable an acceleration of sustainable growth to support the country. ACEA confirms its role as infrastructure operator with good financial leverage, a leading player in energy transition, decarbonisation and enhancement of the territory, from a circular economy perspective.

Growth in all the main economic indicators, based on constant attention to operating efficiency, integrating new technologies and expanding the spheres of action

EBITDA during the plan period presents an annual average growth of over 5%, to reach €1,800 million by the end of 2028 (of which 90% from regulated businesses), compared with €1,391 million in 2023 (+29%). This improved result is attributable above all to organic growth and operating efficiency. Net profit is expected to increase at a CAGR of 5% from €294 million in 2023 to €350 million in 2026 and to €375 million in 2028.

FOCUS ON BUSINESS AREAS

WATER: driving force for the development of Italy and focal point for ACEA's strategy.

ACEA is the leading operator in the Italian water sector and the second largest in Europe, with innovative expertise and presence throughout the entire supply chain. The Company intends to consolidate and reinforce its leadership position in a segment that is fundamental to the country's industrial development, relying on its know-how and strong track record in managing 10 million inhabitants in Italy, with the opportunity to implement major strategic works at national level, such as the **doubling of the Peschiera Aqueduct**. This project, which is worth an estimated €1.5bn and falls under the ten works of national interest, is aimed at securing Rome's water supply.

The Company intends to carry out a structured **investment plan worth €4.7 billion** to develop high quality and reliable infrastructures, enabling further improvement of operating efficiency in resource management. The plan is to implement innovative technologies and industrial processes, with the aim of reducing water leaks and creating new water plants and sewage systems to increase the reuse of wastewater and rainwater so as to deal with the growing phenomena of floods and drought.

Overseas focus:

In the water sector **Acea serves around 10 million overseas customers**, through affiliated companies in Latin America. The Group's water sector strategy envisages a **growth at international level**, via the

exploration of new opportunities on the overseas market by participating in tenders, providing support for central and local institutions, evaluating potential opportunities in Europe, Africa, the Middle East also by means of new partnerships. **Acea is also present as part of the Mattei Plan control room**, set up by the Government to generate a strategic plan aimed at building a new partnership between Italy and the African countries.

ELECTRICITY: focus on grid management and innovative services for customers.

ACEA is the second largest distributor in Italy in terms of delivery points (PODs) managed.

The Company's objective is to guarantee the grid's resilience and enhance service quality by promoting the energy transition through the electrification of consumption and large network services. The Plan envisages, *inter alia*, the upgrade and modernisation of Rome's network to enhance its resilience and safety; the smartisation of the grid for dynamic management, control of PODs via 2G smart meters and large-scale demand response through artificial intelligence and IoT platforms alongside the development of "smart" Public Lighting.

ENVIRONMENT: operator of growing importance at national level.

ACEA is present throughout the waste treatment sector, especially in the segments with higher profitability. The Company intends to consolidate its leadership in Central Italy via, *inter alia*, the expansion and upgrade of existing plants; closing of the treatment cycle with End-of-Waste activities and consolidation of the plastics sector.

The National Recovery and Resilience Plan (NRRP)

Total funding obtained by the Group's companies under the NRRP: **€858 million, of which €681 million pertaining to the water sector, €174 million for strengthening the Smart Grid and enhancing the resilience of the Rome Municipality's electrical grid, around €3 million for the environment business.**

Water sector focus:

The Group was assigned funds under the NRRP totalling approximately €681 million for the water business. **Acea Ato 2** (the company that manages the integrated water service in the Capital and in the metropolitan area) alone **obtained NRRP funding totalling around €227 million, over the period 2021-2026**, for the implementation of several strategic interventions involving adduction and distribution networks, resource recovery (water losses) and sewerage and purification services. The interventions to be carried out also include various modernisation works falling under the Peschiera aqueduct system.

SYRACUSE INTEGRATED WATER SERVICE TENDER AWARDED.

ACEA is consolidating its leadership in the water sector, expanding its presence in Italy: alongside the established management role already performed in six regions, in September 2024 Sicily was also added.

In fact, the Syracuse Territorial Water Board (*ATIS*) has awarded in favour of the Temporary Association of Enterprises - formed by ACEA Molise (100% ACEA) and the company COGEN - the tender to select a private partner for Aretusacque spa, a joint venture to be 51% owned by the local municipalities. The company will be responsible for managing the Integrated Water Service pertaining to 19 municipalities in the province of Syracuse; the concession will have a duration of 30 years from the date of its launch. The tender, which has an **estimated value of over €1.2 billion**, **concerns the management of about 2,000 km of water network, around 1,300 km of sewerage network, 166 thousand water users, corresponding to 390 thousand residents served. The investments envisaged in the tender amount to approximately 366 million Euro.**